The Bitcoin Blueprint:
Five Rules to Profit in Cryptocurrency
(8/1/2023 Updated)

This book is short and straight forward. I only included what really matters (in my opinion) to becoming profitable in crypto. The rules outlined in this book aim to help one navigate the world of cryptocurrency. My goal is to shed light on cryptocurrency and Bitcoin, and I believe the root of all skepticism is the lack of accurate knowledge. An abundance of information on the internet tends to cause more confusion especially for beginners, in my opinion. So, I did my best to break down the information so it could be more easily digested (even though some parts may be confusing. I recommend going back to it later.)

Lastly, you learn most by DOING. If the strategies outlined in this book work for you, great! But if they don't, learn why, and move on. I rarely do leverage trading (shorting/longing the market). I don’t recommend it.

So, now… let's dive right in.

Rule #1
Bitcoin is King

Want to succeed in the crypto market?

Pay attention to Bitcoin.

Because Bitcoin is the "gold standard" of crypto and its moves greatly impact the entire crypto market. By keeping an eye on Bitcoin price movement(s) you'll be ahead of the many who are solely looking at their altcoins (other than Bitcoin).

So, what is the number 1 Bitcoin insight that everyone should know? It makes sense to know Bitcoin inside and out, right? Here it is.

> Q: What is the average length of a Bitcoin bear market (1st day coming off an All Time High) to the BEGINNING of a new bull market?
>
> A: Approximately 2.5 years starting from the first day of the bear market. It takes ≈ a year for Bitcoin to come down to a bottom. Bitcoin's All Time High to bottom correction percentage is approximately 85%.
>
> **$500,000 Bitcoin Theory:** Bitcoin didn't have an 85% correction recently because Bitcoin had a black swan event early May of 2021 (massive manipulation).
>
> With minor manipulation, Bitcoin would have reached approximately $100,000. An 85% correction from $100,000 amounts to $15,000 with the current bottom being $15,800. A 5x increase from the 2017 all time high

($19,666) would have been ~$100,000. So 5x of $100,000 is $500,000. This is not financial advice, but I believe Bitcoin will hit $500,000 in the next bull run.

Keep in mind, it is during bear markets that money is truly made (buying low), rather than in the bull markets. Don't be fooled; time in the market outweighs time out of the market. Many individuals will experience hype in mid 2024-2025, don't be that person, be smart and accumulate now in the bear market (2023-Mid 2024.) Understanding the market at an aggregate level (zoomed out), when in doubt, zoom out.

Rule #2

Bear or Bull Market? (The trend is your friend)

It is extremely important to know the overall market trend. The overall market trend is king; however, you can still have an upward trend in a bear market (Bull Traps or fake outs) and a downward trend in a bull market (Bear Traps).

For example, if there are a few months of bullishness in the middle of a bear market cycle, it's likely a bull trap. Crypto influencers will declare the start of a bull market right after a bear market. It's almost never the case. These rallies are called "sucker rallies" for a reason. They're trying to sucker you in. So then, how does a person offset crypto volatility? Answer: Dollar Cost Average. We'll talk about this later.

"So, how do I determine which market I'm in?" First, let's quickly define them.

A crypto Bull Market is a *prolonged* period of time (after Bitcoin halving event) in which the price of Bitcoin is on a steady upward trend. During this time, investors are optimistic about the future of the cryptocurrency, and more and more people are buying in, driving the price up. In a Bitcoin bull market, the demand for Bitcoin is

higher, and the holders of the cryptocurrency see significant gains on their investments.

In contrast, a Bear Market refers to a *prolonged* period of downward price trend. These markets are characterized by consistent drops in prices. It's important to note that a bear market is different from a correction. The start of a bear market is a year of continual downtrend followed by a bottom capitulation phase (accumulation phase), disbelief phase, a depression phase, etc. Below is current example of the market psychology within the crypto space. Take note of the black swan event!

Bottom-line, you need to know the market environment (macro) and take profits in the bull markets! As far as a buying strategy, there is only one buying strategy that you really need to in crypto, and that is… Dollar Cost Averaging.

Rule #3

Buy Low, Sell High (Moonbag Strategy)

To be profitable in the crypto market, it's crucial to adopt a long-term mindset by dollar-cost averaging. Dollar-cost averaging is a technique that involves investing a

fixed amount of money at regular intervals (weekly, bi-weekly, etc.) regardless of the price of the asset. Additionally, they amount should be only what one is willing to lose or give up. By consistently buying in at lower prices, you can potentially become more profitable when the market turns around.

For example, you need to set aside a budget for buying into the crypto market. let's say you invest $20 a week in cryptocurrency - that's fine, but you need to consistently buy no matter what. Most importantly, it’s wise to set aside additional money for dips in the bear market (greedy when others are fearful). Lastly, it’s good to track how much money you are allocating towards which cryptocurrencies. I’ll tell you why soon.

“Ok, but what should I invest in?” You should observe crypto projects that have been around for more than 1-2 cycles.

These projects have sustained themselves through previous bear markets and have a stronger chance of survival in the crypto winters. The key is to investigate the performance of these tokens and coins during the crypto winter going into the next bull market.

REMEMBER, newer tokens and cryptocurrencies will be created prior to the next bull market AND during, so make sure you keep your eyes open! A good rule of thumb would be to invest in ERC-20 tokens or tokens built on the Ethereum Network. They are known to have less scams on their network compared to other networks. Be wary of Binance tokens.

** You can use www.dextools.io to see if there are any sell orders on tokens you wish to buy! If there are, that's good. But still, only buy a small amount to see if YOU can sell them. If you’re NOT ABLE to sell your token(s), it’s a scam! Always proceed with caution with newer coins. **

If a project meets all these requirements - good developers, low price, low supply, strong use case(s), survived during a bear market, and performed well with Bitcoin - these are all positive signs. Past performance does not always ensure similar results in the future, it makes sense to do your own research on cryptocurrencies.

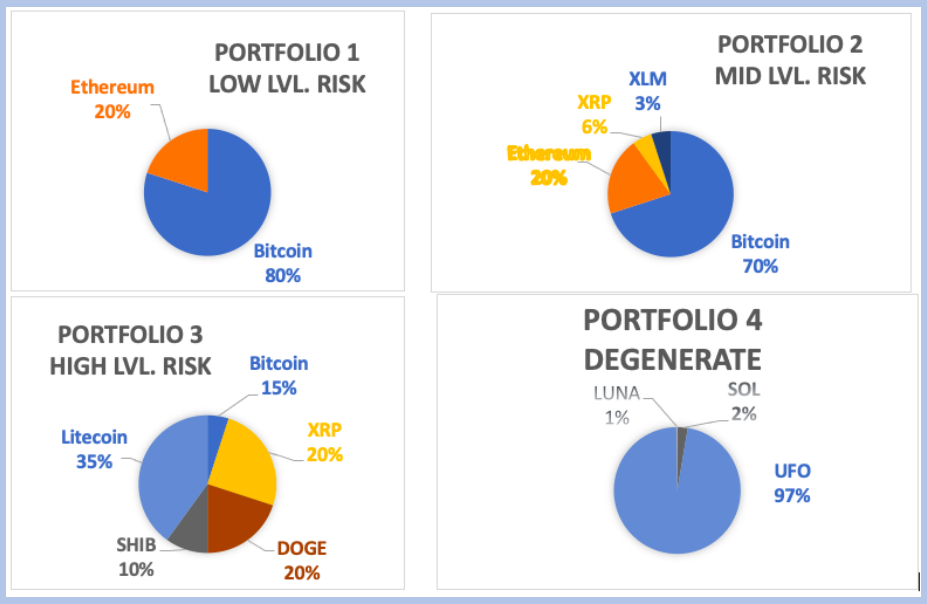
** Also a good strategy – think how a crypto novice would think. Meaning, think about the coins you bought when you were new to crypto. You most likely didn't buy 'fundamental projects'. You bought Doge or Shiba Inu. Why? Because there was excellent marketing and HYPE surrounding these tokens. And believe it or not, hyped coins do well in the bull market (even PEPE coin in the 2023 bear market!). Use this information to understand the buying psychology behind newer crypto investors, who will JUMP into the market in 2024-2025! **

Now, before we get into this profit taking strategy, you have to know your risk tolerance.

Risk tolerance is the level of uncertainty you are comfortable with in your investments. It's also worth noting that your risk tolerance can change over time, so it's important to regularly review and adjust your investments. Also, your age, financial position, and marital status need to be considered in determining your risk tolerance. For example, if you're a 19-year-old single male, you're not going to have the same risk tolerance as a 30, 40 or 50-year-old male with a wife and kids.

Here are a few examples crypto portfolios, and they may differ from individual to individual.

Cryptocurrency Portfolio Examples



If Bitcoin goes down 30% and you have more than 50% of Bitcoin in your portfolio, your losses won't be as severe. But if you have little to no Bitcoin and have 90%+ in altcoins, your entire portfolio will take a dump. It's something to think about.

Without a doubt, when investing in the crypto market, the most effective strategy is dollar cost averaging in the bear market BUT into good projects (Bitcoin, Ethereum, Quant, XRP, XLM, ADA, etc.). This approach eliminates the primal emotions that drive the market (fear and greed). If you know when to be greedy (when others are very fearful), you will grow richer in this space.

Additionally, *buying the dip during a bear market is how newer build their bags up.* Accumulation is key in the bear market (aquiring more coins than "$$$"). The gains will come later, don't chase after money, be patient. So, DCA into the bear market, buy the dip (buying the fear), and don't chase after gains! Allow your gains to come to you!

Profit Taking Strategy: Moonbag Strategy

1. Determine the amount of your initial investment.

2. Withdraw your initial investment (take profit) at a certain price target, during a "Euphoria" Market Phase, or certain crypto price target.

   Ideally, once you know the initial investment of your cryptos, you can remove the initial investment and let it ride to higher price levels. Now, you have more opportunity to sell and gain bigger profits.

You should (I strongly suggest) take profits for yourself because what goes up WILL come down. Bitcoin is no exception. Don't be filled with regret later by not taking anything, I took profits and have zero regrets.

By keeping a watchful eye on Bitcoin and having basic technical analysis skills (understanding trend lines, support and resistance levels, and other key indicators), you can gain a powerful advantage in this space. Nevertheless, it's crucial to remain responsible over your investments, which leads us to our next important topic.

Rule #4

Security!

Securing your cryptocurrency investments is vital. Start making it a habit to learn about the different types of wallets and storage options available and choose what suits your needs. Cold storage such as hardware wallets is *considered* the most secure as it keeps your private keys offline and away from potential hackers and exchanges that hold on to 'your' crypto.

Do your research on cold wallets. If you're in the United States, see if a subpoena would lead that cold wallet company giving over your keys to the U.S. government. Also, use an iPhone over an android. An iPhone is sandboxed; meaning that apps are isolated and can only access certain resources and files, protecting the phone and user's data from potential security threats. Also, designate a phone/laptop for crypto. Security should never be taken lightly, and it's good to have multiple layers of protection over your digital assets.

To protect your Bitcoin and cryptocurrency from hackers and scammers, follow these security practices:

- NEVER GIVE YOUR 12 WORD SEED PHRASE TO ANYONE, ANYONE ANY "COMPANY", ANY "CUSTOMER SERVICE" keep it hidden.
- DO NOT KEEP ANY PASSPHRASE PICTURES ON YOUR PHONE to prevent bad actors from using malicious bots to steal it over wi-fi, thus accessing your crypto.
- CALL CELL CARRIER AND REQUEST "ACCOUNT TAKEOVER PROTECTION"
- Disable Wi-Fi on your phone before doing anything crypto-related (withdrawals, deposits, swaps, buying, selling, etc.) to prevent man-in-the-middle attacks.
- Don't use a jailbroken phone.
- Set up a SIM card PIN on your phone to prevent SIM card hacks.
- Use 2-factor authentication (2FA), such as Google Authenticator.
- DON'T LET ANYONE ONLINE KNOW HOW MUCH CRYPTO YOU HAVE! This applies in real life too. Would you tell everyone that you have tons of money? It's a stupid idea.
- Use security apps like Avast.
- Don't download suspect apps or apps outside the apple store.

- GET YOUR CRYPTO OFF EXCHANGES AND ONTO DIGITAL CUSTODIAL WALLETS and cold storage (drastic measure, but if sh*t hits the fan, your crypto will be at the mercy of the exchanges.)
- Configure the security settings of all digital custodial wallets on your phone/laptop (Coinbase Wallet, Atomic Wallet, Trust Wallet, etc.) Use passcode/touch ID, transaction signing, app auto-lock *immediate* to make it more secure.
- Don't buy cold wallets from sites outside of the mother site, don't buy from eBay! Bad actors will steal your crypto later (they have the keys)
- Keep your tech software and hardware wallets updated to the latest version.
- DOUBLE-CHECK RECEIVING ADDRESSES AND MEMOS BEFORE SENDING ANY CRYPTO.
- ALSO, WHEN CONNECTING YOUR WALLETS ONLINE, YOU NEED TO MAKE SURE THAT THE WEB ADDRESS IS THE CORRECT ONE! Many scammers create duplicate websites based off peoples typing mistakes! Connect your wallet to that site and your crypto will be gone.

Google… → "Newest Crypto Scams (the year) Reddit" ←

To protect yourself from potential threats in the cryptocurrency market, it is crucial to be proactive and think like a scammer to identify and avoid potential risks.

Additionally, asking questions in online communities such as r/cryptocurrency on Reddit and staying up to date on the latest developments and security risks in the crypto market can provide invaluable insights.

<u>*** EXTREMELY IMPORTANT INFORMATION ***</u>

In the end, you are responsible over your crypto. This means being aware of different types of cryptocurrencies and the wallets associated with them on their respective

networks etc. For instance, if you send Ethereum to a Bitcoin receiving address, you will lose ALL that money. In addition, if you send Ethereum to Ethereum Cash, you will lose all that money as well. Everything needs to be accurate.

When you want to send a large amount of cryptocurrency to a wallet, first send only a small amount THEN larger amounts. Also, REMEMBER ANYTHING ETHEREUM BASED IS GOING TO HAVE A GAS FEE. Ethereum gas is a pain, but it is what it is.

Don't be the person who sends $10,000 to a wallet only to find out that you sent it to the wrong wallet address. NEVER SEND THE WHOLE AMOUNT INITIALLY. THIS IS WHY, *YOU NEED TO BE FOCUSED, ALERT AND NEVER DO ANYTHING CRYPTOCURRENCY RELATED WHILE YOU ARE DISTRACTED, SLEEPY OR IMPAIRED IN ANY WAY.*

This can help prevent mistakes and ensure the safety over your digital assets. This is probably the most important aspect of crypto. Because, if you aren't aware and careful, you can and will probably lose money.

I'm not trying to scare you. I'm trying to prepare you. You need to be proactively ready and fully aware. Remember, the more you know, the more confident you'll be. Always be a good steward over your investments.

Rule #5

Stay Away from Crypto Cults AKA Hodl Cults

The HODL strategy, or 'hold on for dear life,' means holding onto a certain cryptocurrency, regardless of market conditions. Although I'm not anti-hodling, my personal strategy is to hold *strategically*. While this approach may be suitable for

Bitcoin, Ethereum, Litecoin, XRP, etc., it can be detrimental holding newer cryptocurrencies into bear markets.

Many online communities, particularly on Reddit, promote the HODL strategy and discourage selling, even during the height of a bull market. This is idiotic. It wouldn't surprise me if whales (wealthy investors) hired fake accounts in order to spread "hodl" fever during a bull market top, so they can use them as exit liquidity.

Moreover, it's difficult anyway to know if a meme coin or NFT will even survive a crypto winter if it's relatively new. Also, to safeguard against such losses, be aware of market psychology and take out your initial investment as a bare minimum.

It's important to be aware of the influence that these online communities have and to be critical of the information and advice being shared in these groups or crypto cults. Instead, it is important to conduct your own research, and make your own informed decisions.

Another thing to keep in mind is that it's NEVER a good idea to share your investment information with others. If something goes wrong, YOU will be the one blamed and held responsible for their losses (even if it's their own fault!). The whole point of Bitcoin and other cryptocurrencies is to be independent with one's own finances and not to be influenced by outside opinion.

Conclusively, it's important to be cautious when it comes to HODLing and to avoid drinking the crypto cult kool-aid. The goal of investing in cryptocurrencies should be to offset inflation, make cash profits, buy hard assets, and utilize coins like Bitcoin, Ethereum, Litecoin, and XRP as a store of value for long-term holding. It's important to make your own informed decisions and be extremely mindful of whom you share your investment information with.

I believe that the key to becoming more profitable is to identify bear markets, take advantage of low prices, and hold onto your investments until you can strategically sell them at an opportune time (near bull market top). All in all, I hoped you enjoyed this short book, and I wish you all massive success on your journey!

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